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WORLD COTTON PROSPECTS

Summary

Liverpool prices of Indian cotton during March declined to less than 70 percent of the price of American whereas during February Indian averaged 72 percent and January 75 percent of the price of American. The March prices of Indian were lower relative to American than for about 3½ years. During the 6 months ended January 31, three types of Indian cotton at Liverpool averaged 77 percent of the price of American Middling and Low Middling compared with 84 percent during the preceding 6 months. The more favorable relative prices of Indian no doubt explain in part why the consumption of Indian cotton in Europe during the 6 months ended January 31, 1934 increased 42 percent over the previous 6 months while the consumption of American increased only 5 percent. In Asia there was a decline in the consumption of American cotton during the past 6 months whereas consumption of Indian increased. The price of Egyptian cotton has also been lower relative to American than for two or three seasons and the consumption of Egyptian has increased relative to the consumption of American, particularly in Europe where most of the Egyptian cotton is consumed.

During February the situation in the cotton textile industry on the Continent of Europe as a whole made favorable progress with sales generally increased and mill activity holding about the same as in the previous 2 months. In Great Britain, however, sales of cotton textiles during February and the first part of March have been considerably below production, according to trade reports, and mill activity has been reduced somewhat.

Sales of cotton textiles in the United States during February were probably well in excess of production but toward the end of February and in the first part of March, reports indicate that sales have been below output. The indications are, however, that most sections of the industry have sufficient orders on hand to insure about the same rate of consumption as existed in February for many weeks, barring some very unusual development.

Sales of fertilizer tax tags in the Cotton Belt during February continued well in excess of the last year or two, but were materially less than the average for the 5 years ending in 1932. February sales were not nearly so much larger than a year earlier as were sales in December and January.

Prices

The marked advance which occurred in domestic cotton prices during the first 6 weeks of 1934 was followed by a decline of slightly more than 1/2 cent per pound during the latter half of February leaving the average price of Middling 7/8 inch cotton in the 10 designated markets at slightly less than 12 cents on March 1. On January 2 the average price in these markets was 10-1/4 cents. In early March spot prices advanced about 1/4 cent, but this was followed by a slight decline and on March 23 the 10 market average was 11.90 cents, the lowest for about a month and a half. On the whole cotton prices since mid-February have been unusually steady, the 10 market average ranging between 11.90 and 12.30 cents per pound.

The average price of American Middling 7/8 inch cotton in Liverpool on Friday March 23 was 6.46 pence per pound (equivalent to 13.74 cents at the current rate of exchange) compared with 6.67 pence a month earlier and 5.13 pence on the corresponding Friday in March 1933. During the first four Fridays of March the average price of three important types of Indian cotton was slightly less than 70 percent of the price of American Middling and Low Middling compared with 72 percent in February, 75 percent in January, 87 percent in March 1933, and was the lowest price of Indian relative to American for about 3-1/2 years. A comparison of the price of these three types of Indian cotton with American Middling and Low Middling for the 10 years ended 1931-32 shows that during that period Indian cotton prices averaged almost 80 percent of the price of American. In the 1932-33 season Indian cotton prices at Liverpool averaged about 87 percent of the price of American. During the first 6 months of this season the price of Indian cotton averaged 77 percent of the price of American compared with 84 percent during the previous 6-month period and 90 percent in the first half of last season. This partly explains why consumption of Indian cotton in Europe during the 6 months ended January 31, 1934 showed an increase of 42 percent over the previous 6 months while Europe's consumption

of American cotton increased only 5 percent. Egyptian cotton has also been cheaper relative to American during recent months than for some time and during the first half of this season there was an increase in Europe's consumption of Egyptian cotton of 14 percent over the previous 6 months compared with the 5 percent increase in the consumption of American.

Stocks and Movement

World mill stocks

World mill stocks of all kinds of cotton on February 1 were reported by the International Federation at 5,216,000 running bales compared with 4,542,000 bales a year earlier and were the second largest for the period since records became available in 1920. All four of the groups reported by the Federation showed substantial increases over the last few years, due perhaps in some cases to the larger supplies as well as the higher rate of mill consumption, and possibly to some speculative accumulation of stocks. The 2,833,000 bales of American cotton held by mills on February 1 represented the largest figure for that date since 1929, and the 1,203,000 running bales of Indian the largest since 1931. Stocks of Egyptian were reported at 242,000 bales and other growths "sundries" at 938,000 bales, both of which were equal to or larger than in any year since records became available in 1921.

Apparent supply of American cotton in the United States

With both domestic consumption and exports of American cotton during February larger than in February last year the apparent supply of American cotton remaining in the United States on March 1 was lower relative to a year earlier than on February 1. The apparent supply in the United States on March 1 this year amounted to 12,400,000 bales which was 1,134,000 bales less than on the same date last season. On February 1 the apparent supply was 1,030,000 bales less than a year earlier. The apparent supply in the United States on March 1 season before last was 14,247,000 bales.

Exports of American cotton

During February exports of raw cotton from the United States amounted to 628,000 running bales compared with 557,000 bales in February last year and 968,000 bales in February 1932. The average exports for the 5 years ended 1932 was 608,000 bales. Exports to Japan were larger during February than exports to any other country, the 137,000 bales exported to that country comparing with 120,000 bales exported to the United Kingdom and 110,000 bales exported to Germany. In February last year exports to these three countries were 91,000, 106,000, and 112,000 bales respectively. China, Spain, Belgium, and Canada, in addition to Japan, took larger amounts of American cotton in February this year than in February 1933.

Total exports from August to the end of February amounted to 5,548,000 bales which is only 49,000 bales less than during the like period last season, but 377,000 bales less than in the first 7 months of 1931-32. Japan and Canada are the only countries which have taken significantly larger amounts so far this season than in the corresponding period last season. Germany has taken almost 200,000 bales less while exports to most other countries have been fairly close to those of the like period last season.

Exports of Indian and Egyptian cotton

Total exports of cotton from India during the 4 weeks ended March 15, amounted to 333,000 running bales (approximately 400 pounds in weight) compared with 276,000 bales during the like period last year and 120,000 bales in the corresponding weeks of 1932. The increase over last year is accounted for by the larger exports to Great Britain and the Continent, exports to Japan and China (combined) showing a decline as compared with a year earlier. Receipts of Indian cotton at Bombay during the 4 weeks ended March 15, totaled 351,000 running bales which represented an increase of 13 percent over the corresponding period and year and 11 percent over the like period in 1932. From August 1 to March 15, receipts totaled 1,421,000 bales compared with 1,492,000 bales and 1,150,000 bales the same date in the two previous seasons.

From August 1 to mid-March total exports of cotton from India amounted to 1,167,000 bales which, due to the much smaller exports to Japan and China, represented a decrease of 44,000 bales from the like period last season but was 13 percent larger than to the same date in the 1931-32 season. Both Great Britain and the Continent took larger amounts during the first 7-1/2 months of this season than in the corresponding period of either of the last two seasons. Exports to Japan and China (combined) this season to mid-March were only 47 percent as large as during the like period last season and 47 percent as large as to the same date in 1931-32.

Exports of Egyptian cotton for the 4 weeks ended March 14 amounted to 106,000 running bales of approximately 750 pounds, which represented an increase of 47 percent and 36 percent respectively over the like period last year and the year before, according to data from the Commercial and Financial Chronicle. While Great Britain and the Continent and India (combined) both show large actual increases over last year and the year before, exports to America during the 4 weeks period, totaling slightly more than 10,000 bales, showed an increase of about 200 percent over each of the corresponding 4-week periods in 1933 and 1932.

From August 1 to March 14 total exports of cotton from Egypt amounted to 850,000 running bales, an increase of 316,000 bales or 59 percent over the quantity exported in the first 7-1/2 months of 1932-33 and 20 percent larger than in the same period in 1931-32. Exports to America were more than twice as large as in either of the two previous seasons. Receipts of Egyptian cotton at Alexandria this season to the middle of March totaled 7,121,000 cantars (equivalent to approximately 10,681,000 running bales) compared with 4,200,000 cantars (6,300,000 bales) to the same date last season and 5,956,000 cantars (8,934,000 bales) to the middle of March 1932. Receipts during the 4 weeks ended March 14, were more than twice as large as in the corresponding weeks of the last two seasons.

Textile Situation

World cotton consumption, August 1 to January 31

During the 6 months ended January 31, 1934 the total world mill consumption of all cotton increased 637,000 running bales or 5 percent over the corresponding months of the previous season, amounting to 12,519,000

bales, according to data just received by the Bureau of Agricultural Economics from the International Federation. This was the largest consumption for any half year period since the first half of 1929-30, when the world consumption of all cotton amounted to 13,202,000 bales. The 7,018,000 bales of American cotton consumed was 302,000 bales less than during the last half of the 1932-33 season, but the largest for any corresponding period since 1929-30. The smaller consumption of American during the last 6 months than in the preceding half year is accounted for by the smaller consumption in the United States. The decline in the United States consumption was due to the fact that during the latter part of the 1932-33 season domstic consumption stimulated by speculative demand growing out of the currency situation, probable increased manufacturing costs under the N. R. A., and improving conditions, reached the highest levels in the history of the domestic industry.

World consumption of "sundries" cotton (cotton other than American, Indian, and Egyptian) during the 6 months ended January 31, amounted to 2,607,000 running bales. This was about 100,000 bales larger than either of thetwo previous 6-month periods and was the largest since the first half of 1929-30. While consumption statistics by countries has not been received, the increase in the consumption of this cotton was apparently accounted for by the larger consumption of domestically produced cotton in China and Russia, the two principal cottons included in "sundries". The consumption of Indian cotton was reported at 2,353,000 bales, the largest for any 6-month period since the first half of 1931-32. With the supply of Indian cotton for this season the largest since 1930-31, and increased mill activity in most parts of the world and with the smaller supply of American cotton it is natural that consumption of Indian should increase.

The 541,000 running bales (approximately 750 pounds) of Egyptian cotton reported by the Federation as having been consumed during the first half of the season represented an increase of 14 percent over the preceding 6-month period and 17 percent over the corresponding period last season. Although the supply of Egyptian cotton has in several seasons been larger than in the present season, the reported world consumption in the first half of this season was longer than in any half year period since comparable reports were begun in 1920-21. This development is at least partly explained by the fact that cotton mill activity has been greater than in some of the other years, the more favorable price parity between Egyptian and American than in some of the earlier years, and perhaps in part to the change which has occurred in the Egyptian Government's cotton policy. During the past year or more the Egyptian Government has, instead of buying cotton and holding it off the market, been making special efforts to encourage foreign countries to take more Egyptian cotton.

United States

Domestic cotton consumption in February showed about the usual decline as compared with January, but was the largest for the month since 1930, according to data relased by the Bureau of the Census. The 478,000 running bales consumed during February represented a decrease of 6 percent from the previous month, whereas during the last 10 years the average decrease in consumption from January to February was 6.6 percent. The daily

rate of consumption during February was about the same as during January, the decline being due to the fewer number of days in February. Consumption in February last year amounted to 441,000 and in February 1932 to 451,000 bales. While consumption during February this year was larger than in either of the 3 previous years, it was smaller than in the corresponding month of any of the 8 years, 1923 to 1930. Total consumption from August 1 to February 28 amounted to 3,402,000 running bales which was 149,000 bales larger than during the first 7 months of last season and continued larger than in the like period of either of the last three seasons. Although sales of cotton goods by domestic manufacturers apparently dropped below production toward the end of February and in the first part of March, sales for the month of February were probably well in excess of production. This, plus the fact that unfilled orders on hand in late January were reported as unusually large and were still large in late February insures a continuation of at least the present rate of activity for many weeks, barring some very unusual development. However, due to the marked increase in domestic consumption in the latter part of last season, the comparisons between the consumption for the remainder of this season and that of a year earlier will not be so favorable as thus far.

During the first 2 weeks of March trade reports indicated that sales of cotton cloth by mills were quiet, being somewhat below production. The unusually severe weather which existed throughout the East and the uncertainty as to the probable legislation affecting hours and wages have been given as factors restricting the quantity of cotton goods sold. The cotton manufacturers who already had rather large unfilled orders on hand were said to have not been particularly anxious to make sales at the prevailing prices in view of the possibility of increased costs.

Great Britain

During February and the first part of March British manufacturers apparently sold considerably less cotton textiles than they produced, weekly trade comments reporting that sales were smaller than production each week. Most comments mentioned increased competition from Japanese goods as one of the difficulties. As a result of the continued smaller sales than production, unfilled orders have continued to decline and mills have reduced their activity somewhat. Activity during the third week of March was estimated by the New York Cotton Exchange Service at about 70 percent of full normal, whereas in the latter part of January activity was estimated at nearly 75 percent.

Exports of cotton cloth from Great Britain during February amounted to 168,000,000 square yards compared with 179,000,000 square yards in January, 195,000,000 in February last year, and 181,000,000 in February 1932. The total for the first 7 months of the season amounted to 1,141,000,000 square yards which, while 9 percent less than during the like period last season was 9 percent larger than in 1931-32 and 12 percent larger than in 1930-31.

Continental Europe 1/

Mainly as a result of the continuance of the upward tendency of prices on the raw cotton markets of the world, the situation in the continental cotton textile industry showed favorable development during the month of February, with sales of the industry generally increased, and mill activity probably little changed as compared with the last 2 months.

Sales of cotton yarn in Germany were maintained and even showed some improvement over the favorable levels of December and January. Slight betterment also seems to have taken place in other central European countries, as well as in Italy and to a limited extent even in Western Europe, where activity in yarn business, however, was much less influenced by the firmer tendency of the raw cotton market than elsewhere. Conditions on the market for cotton fabrics were similar, with particularly favorable business again reported from Germany, where the continuance of an extraordinary demand for cotton cloth for the manufacture of uniforms and flags provided a sustained stimulus.

Continental cotton spinner buying of raw cotton in February was of fairly extensive volume, particularly at the beginning of the month, but a quieter tendency prevailed during the second half, and industry purchases of raw cotton were restricted mostly to current needs. Price fixing on previous contracts was at times important, particularly on recessions in raw cotton quotations. C.I.F. import purchases by Bremen merchants remained small, as overseas shipment quotations of actual cotton were mostly below Bremen resale parity.

Cotton consumption, first half of the season

The preliminary data for the first half of the current cotton season ending January 31, 1934, have recently been issued by the International Federation of Master Cotton Spinners' and Manufacturers' Associations and indicate, as far as the Continent of Europe is concerned, a further improvement in the mill consumption of raw cotton as compared with the previous half year. Total mill consumption of the continental countries rose about 250,000 bales of 478 pounds, an increase which is largely accounted for by increased takings on the part of Germany. As the following table shows, increases have taken place in the consumption of all kinds of cotton, but the rise was most pronounced in the case of Indian, the price of which was very low relative to other cottons. As a result of this increase in the consumption of Indian, the percentage share of American cotton consumed on the Continent declined slightly.

1/ Based largely on a report prepared by Agricultural Attache L. V. Steere at Berlin, dated March 8, supplemented by cable middle of March.

Continental mill consumption of raw cotton

Region	Year ended January 31, 1933		Year ended July 31, 1933		Year ended January 31, 1934	
	Quantity	P.ct. of total	Quantity	P.ct. of total	Quantity	P.ct. of total
	1,000 bales 1/	Percent	1,000 bales 1/	Percent	1,000 bales 1/	Percent
American	1,862	75	1,944	75	2,051	73
Indian	219	9	226	9	316	11
Egyptian	286	12	324	13	357	13
Sundries	118	4	89	3	104	3
Total	2,485	100	2,583	100	2,828	100

As reported by the International Federation except that foreign cotton has been converted from running bales.
1/ American in running bales and foreign in bales of approximately 500 pounds.

Germany

Conditions in the German cotton textile industry during the month of February were further improved and, therefore, very satisfactory. New orders placed with spinners, weavers, knitters and other branches of the industry again showed an increasing tendency, and mill occupation remained at the satisfactory level of January.

The detailed German spinner report for the month of January indicated that an active demand led to yarn sales of extensive volume and considerably above those in the last months of 1933. Unfilled orders assured mill activity at the January rate of occupation for several months ahead and in some cases new workers were being employed. Prices are still described as "unsatisfactory" and a slight decline of business toward the end of January in no way impaired the general optimism of the industry. The detailed report of cotton weavers for the month of January likewise indicated a revival of business as compared with the last months of 1933 and a fairly satisfactory volume of unfilled orders on hand. Prices for fabrics, however, continued to be complained of.

The gains made during January were, according to preliminary reports, fully maintained throughout February in most of the important textile districts, as a result of seasonal revival in spring business and considerable new orders for the manufacture of uniforms and flags. Toward the end of the month, a somewhat quieter tendency prevailed. Unfilled orders on the books of cotton spinners are now reported sufficient to last the mills at the present rate of activity until about the end of June; cotton cloth mills are assured occupation to the end of April.

German cotton spinners' purchases of raw cotton through Bremen were of fairly large volume throughout February and numerous price fixing orders were placed on such setbacks as occurred in a strongly rising market. C.I.F. import purchases of Bremen merchants were small, however, because second-hand prices at Bremen were generally lower than cotton on shipment.

Czechoslovakia

Somewhat more optimistic cotton reports were received during the month of February from Czechoslovakia, where cotton spinning mills in particular received an increased volume of new orders from domestic buyers, though calling on old contracts remained small.

Cloth mill business was also improved, but prices for both yarn and cloth remained unsatisfactory. Export difficulties continued, but are expected to be somewhat relieved by the recent 17 percent devaluation of the crown. It remains to be seen, however, whether the relief thus obtained will be significant to greatly stimulate the industry, as most of the countries where Czechoslovakian textile exports go, maintain close regulation of import trade.

Austria

Austrian spinning mills likewise reported fairly satisfactory sales during the month of February, but weavers were less satisfied. The slight improvement in business appears to have been due to a pick-up in the takings of the domestic market which has shown a certain consolidation in general business during the past year. Yarn sales to Rumania continued to be much complained of, and some difficulty in the exportation of yarn and cloth to Hungary is being encountered due to the fact that Hungary has granted preferential import contingents to the Italian industry. Exports to Yugoslavia also declined.

France

Sales of French spinning and weaving mills during the month of February were slightly improved as compared with January, but the improvement was of much less significance than that felt in the Central European countries. In fact, the present state of affairs has necessitated, in some places, a slight reduction in mill activity though this does not seem to be viewed pessimistically. Difficulty was encountered in the export market for both yarn and cloth, as a result of keen Japanese competition. Offers C.I.F. Hamburg and Rotterdam at prices one third lower than French spinners and weavers would at the present time accept, are reported.

Italy

Some improvement has also occurred in the Italian cotton textile situation during the month of February, according to recent reports. Slightly increased export business to Hungary has resulted from the preferential import contingents recently granted Italy.

Cotton spinning and weaving mill activity at the end of December 1933, showed a slight setback following a continuous rise since July, but operations were still about 9 percent above a year earlier in the case of spinning mills and 10 percent above in the case of weaving mills. End of December figures were higher than at any corresponding time since 1929.

In a recent resolution the Italian Cabinet decided to organize an officially supervised yarn cartel in order that yarn production, sales and payment terms might be regulated in conformity with principles of

orderly marketing. All cotton spinning mills will be required to join the Istituto Cotoniero Italiano which will also have the function of seeing to a more orderly marketing of finished cotton goods. The Istituto is also supposed to assume some functions in planned centralized procurement of raw cotton.

Russia

Russian production of cotton cloth in January 1934, amounted to 208,699,000 meters (equivalent to 228,233,000 yards), or 4.8 percent above the January figure a year ago.

It is reported that the government is planning to erect 3,000,000 new cotton spindles by the end of this year, of which 1,000,000 are rumored to have been ordered already in England. It is interesting to note that the production capacity of 3,000,000 modern spindles 1/ amounts to about 1,000,000 to 1,300,000 bales of raw cotton and that about this amount, according to recent newspaper reports, is planned to be sold to the Soviet Union by the United States in the near future. The large unsatisfied requirements which exist in the Soviet Union in respect to consumption goods in general and textiles in particular, really provide a large potential demand for cotton goods, which, if it could be made effective, would be taken partly in the form of raw cotton and partly in the form of direct importation of cloth. A recent report in the textile press indicated that the Soviet Union plans a purchase of 1,250,000,000 yards of cotton fabrics in the United States. As this quantity is equivalent to about 600,000 to 800,000 bales of raw cotton, potential sales of raw cotton and cotton fabrics to Russia during the current year, if they could actually be carried out, would take off the world market more than 1,500,000 bales of cotton.

Japan 2/

Yarn production in Japan during February amounted to 248,700 bales of approximately 400 pounds, which represent a decline of about 8 percent from the previous month and 11 percent from the all-time record high of 281,000 bales reached in both December and January. The yarn production in February this year was about the same as in February of last year but larger than in any other February in the history of the Japanese industry. The decline in yarn production may be accounted for by the dullness of the yarn market during previous weeks occasioned by the decline in the exports of cotton cloth. Cloth exports during December amounting to 185,800,000 square yards were 12 percent less than in December the previous year and in January exports of cloth were only 155,300,000 square yards or 16 percent less than in December and the smallest for any month for almost a year. From August 1 to the end of January, the first half of the cotton season, total cloth exports amount to 1,044,000 square yards compared with 1,175,000 square yards during the like period in 1932-33 and with 664,000 square yards in the first half of 1931-32.

1/ Working in two shifts, as is common practice in USSR, and considering the average quality of yarn produced and needed.
2/ Based largely on a report from Vice Consul McConoughy at Kobe received by radiogram through Agricultural Commissioner O. L. Dawson at Shanghai, China in early March.

The International Federation of Master Cotton Spinners' and Manufacturers' Associations reported total consumption of all cotton in Japan for the 6 months ended January 31, 1934 at 1,582,000 running bales, compared with 1,512,000 bales during the last half of 1932-33 and 1,388,000 bales during the corresponding 6 months of last season. Consumption of American cotton in Japan during the first half of the present season was reported at 881,000 running bales, representing an increase of 1 percent over the previous 6 months, but 2 percent under the first half of 1932-33. Consumption of Indian cotton for the 6 months ended January, amounted to 605,000 running bales of approximately 400 pounds, which compares with 558,000 bales during the first half of last season. Consumption of Egyptian cotton from August 1 to January 31 this season totaled 28,000 running bales of approximately 750 pounds, an increase of 12,000 bales over the like period of last season.

China 1/

During the last half of the calendar year 1933 2/, total consumption of all cotton in China amounted to 1,190,000 bales of approximately 500 pounds, according to data from the International Federation, furnished them by the Chinese Mill Owners' Association. This represented a decrease of 5 percent compared with the previous 6 months and 12 percent compared with the first half of 1932-33. Most of the decrease in cotton consumption in China was accounted for by the decrease in the consumption of American cotton, the consumption of this cotton showing a decrease of about 216,000 bales or 47 percent from the 457,000 bales consumed during the first half of 1933 and 191,000 bales or 44 percent compared with the first half of 1932. Consumption of sundries cotton (almost entirely Chinese) during the last half of 1933 totaled 842,000 bales compared with 856,000 bales 6 months earlier and 790,000 bales in the like period 12 months earlier.

The yarn market in Shanghai during recent weeks continued dull with the exception of one week after the Chinese New Year holidays in February and as a result there are rumors of some curtailment in spinning mill activity but no large reduction is expected for several months. In early March the Chinese owned mills were estimated to have been operating at 90 percent of normal capacity while activity in the Japanese section of the industry was reported at about normal. The piece goods markets continued slow and demand from river ports has shown little pick-up since the Chinese New Year holiday period.

1/ Taken in part, from a radiogram from Agricultural Commissioner O. L. Dawson at Shanghai, on March 13.
2/ Listed by the Federation as the 6 months ended one month later but reported by the Chinese Mill Owners' Association as given above.

Acreage, Production, and Crop Conditions

United States

According to reports from the Agricultural Adjustment Administration, the estimated acreage which had been rented to the Government by cotton growers under all 1934-35 contracts that had been signed on March 14, totaled 15,153,000 acres. This was estimated to represent 38.19 percent of the base acreage of the approximately 945,000 contracting producers whose remaining cotton acreage is estimated at about 24,277,000 acres. The average planted acreage of all cotton producers during the base period, 1928 to 1932, was 41,437,000 acres, according to estimates of the Crop Reporting Board.

Sales of fertilizer tax tags in eight of the principal cotton states in February amounted to 388,000 short tons compared with 203,000 tons in February 1933 which was an increase of 91 percent. The February sales, however, were 44 percent less than the average for the 5 years, 1929 to 1932. For the 3 months, December, January, and February, total tag sales amounted to 796,000 tons which was more than twice as large as sales during the same period last season but 21 percent less than the average of the corresponding 3 months for the 5 years ended 1932. With greater application of fertilizer in prospect this season, with acreage materially reduced, and with the abundant labor supply, the tendency will probably be for yields to be rather above average, provided weather conditions and weevil damages are normal. However, winter conditions in most of the Cotton Belt, outside the Southeastern States and the extreme northern part of the Belt, has been rather mild with little temperature cold enough to do much damage to hibernating boll weevils. This, plus the fact that yields in 1933 were unusually large due to very favorable weather conditions are factors which tend to offset the factors pointing toward high yields in 1934.

Egypt

Ginning from the 1933 Egyptian crop amounted to the equivalent of 1,515,000 bales of 478 pounds up to March 1 compared with 890,000 bales to the same date last year, 1,133,000 bales to the same date in 1932 and was larger than ginnings to the same date any year for which records are available, ginnings having been reported this way since 1928-29. The Egyptian Government now estimates the total crop at 1,819,000 bales of 478 pounds, which represents an increase of 77 percent over a year earlier and is 51,000 bales larger than the previous record crop. The ginning of Sakellaridis up to March 1 totaled 209,000 bales which was 1,000 bales smaller than to the same date last season. The production of these varieties is forecast at 236,000 bales, a decrease of 10 percent under the 1932-33 crop. Ginning of varieties other than Sakellaridis up to the end of March amounted to 1,273,000 bales, an increase over ginnings to the same date last season of 616,000 bales or 93 percent. The forecast of these varieties is for an increase of 106 percent. Ginning of Scarto, or very low grade cotton, amounted to 30,000 bales.

Soviet Russia 1/

Attention is now concentrated in Russia upon preparations for the approaching cotton planting campaign. The usual complaints of poor preparations again characterize most of the reports, but it is indicated that on February 25 only some 10 percent of the tractors were in need of repairs in Middle Asia, which is more favorable than in 1933, when 30 to 35 percent were still unrepaired on the same date. Slow distribution of cottonseed to the various regions was also much complained of around the middle of February, the plan for Middle Asia having been only 46 percent completed at that time, whereas 85 percent should have been shipped by February 1. The chief reason given for the delayed shipment of seed is delay in mapping out plans for the regional distribution of the individual varieties. Thus, according to reports, plans were only set up in February in Turkmenistan and Kirgeesia. In Uesbekistan, only 62 of the 77 regions received their plan by December 25, 1933, whereas it should have been available in October, to enable the Cotton Trust to start selecting work. In some cases the revision of plans also increased difficulties.

Growing interest in seed selection is indicated in many Russian reports. The reason is not far to seek in view of the recently reported fact that the share of cotton of 28-29 mm (equivalent to approximately 1 inch) in staple length declined from 49.5 percent in 1930 to 27 percent in 1932 and to 23 percent in 1933. This is thought to be due to lack of attention paid to proper seed selection. During the recent 17th Party Conference at Moscow the necessity of expanding selection work was stressed, so that it is to be expected that steps will be taken in this direction.

Slow shipment of artificial fertilizer is also complained of, but the fact that fallow ploughing for cotton was effected in an acreage three times as large as last year is a favorable offsetting factor, the total acreage thus ploughed in 1933 amounting to 750,000 hectares (equivalent to 1,853,000 acres) compared with only 250,000 hectares (618,000 acres) in 1932. The cotton plan for 1934 provides for an acreage lower than during any of the past 3 years and 9 percent below the peak in 1931, or 5 percent below last year. With this planned reduction of acreage, yields are expected to increase, reports speaking of an increase of about 1 dz of seed cotton per hectare (about 28 pounds of lint per acre) over 1933 yields. The plan for cotton yields on irrigated land aims at a yield of 8.4 dz of seed cotton per hectare, which would be equal to about 240 pounds of lint per acre. Somewhat more than 80 percent of all cotton is sown on irrigated land in the Soviet Union.

1/ From Mr. Steere's report see footnote, page 7.

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